

DURHAM CITY COUNCIL WORK SESSION
Thursday, July 25, 2013 – 1:00 p.m.
Committee Room – 2nd Floor – 101 City Hall Plaza

Present: Mayor William V. “Bill” Bell and Council Members Eugene Brown, Diane Catotti, Don Moffitt and Steve Schewel. **Absent:** Council Member Howard Clement, III. **Excused Absence:** Mayor Pro Tempore Cora Cole-McFadden.

Also present: City Manager Thomas J. Bonfield, City Attorney Patrick Baker and City Clerk D. Ann Gray.

The meeting was called to order by Mayor Bell.

Mayor Bell said that Mayor Pro Tempore Cole-McFadden requested an excused absence from today’s work session.

Subject: Excuse Mayor Pro Tempore Cole-McFadden

Motion by Council Member Catotti seconded by Council Member Schewel to excuse Mayor Pro Tempore Cole-McFadden from the July 25, 2013 Work Session.

The motion was approved by a vote of 5/0 at 1:03 p.m.

Mayor Bell asked for priority items from the City Manager, City Attorney and City Clerk.

City Manager Bonfield referenced the following item:

- Agenda Item #22 – Construction Contract with Progressive Contracting Company, Inc. and Design Amendment with Walter P. Moore and Associates, Inc. for Chapel Hill Street Garage Concrete Repairs (The concrete work is temperature sensitive and it is imperative that the work be completed by the end of 2013 to avoid cold weather delays)

City Manager asked that the council consider suspending the rules and voting on this item today.

The City Manager’s item was accepted.

City Attorney Baker requested a closed session at the end of the meeting regarding attorney client consultation and Farenbacher vs. City of Durham vs. City and County of Durham, pursuant to G.S. 143.318.11(a)(3).

The City Attorney’s items were accepted.

There were no items from the City Clerk.

After Mayor Bell announced each item on the printed agenda, the following items were pulled for comments, discussion and/or action by the council.

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Subject: Alicia Sidney-Vick

To receive comments from Alicia Sidney-Vick regarding issues associated with the fees for disconnection of water service.

Ms. Alicia Sidney-Vick was not present at the meeting to speak.

Subject: Scott Barndt

To receive comments from Scott Barndt regarding housing for the elderly and solicitation.

Mr. Scott Barndt addressed the council regarding his need for housing and he asked the council to revisit the solicitation ordinance. Also, he referenced the number of citizens on a waiting list with the housing authority needing housing.

Subject: John Hunter

To receive comments from John Hunter regarding property violation.

John Hunter, the owner of a house located at 714 Shepherd Street, addressed the council regarding a complaint of disparate and rude treatment by the Planning Department regarding an enforcement action taken at the premise, which is located in the Morehead Hills Historic District. Also, Mr. Hunter said he was being harassed by the Neighborhood Services Department. Mr. Hunter said he was not in violation and he was given approval by the Historic Committee and the Planning Department. He said every time he proceeds to work on the property the neighbors call the Neighborhood Services Department.

Mayor Bell asked the City Manager to have someone speak with Mr. Hunter to resolve this matter.

Subject: America Votes/Progress NC

To receive comments from Anthony Ross proposing a Medicaid expansion resolution.

Anthony Ross requested the council support a resolution, which he read, expanding Medicaid in North Carolina.

Two health care providers spoke in support of the resolution and noted how Medicaid expansion would benefit the City of Durham.

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The resolution was referred to the administration to review and bring back to the council for adoption at its August 5, 2013 City Council Meeting.

At this time, Mayor Bell recognized Ms. Melanie Eberhart who also signed up to speak on Item #38 regarding comments from Mr. John Hunter.

Melanie Eberhart, a resident of Shepherd, said that Mr. Hunter's property located at 714 Shepherd Street and his lack of progress has been going on for a very long time and said a lot of the neighbors have been concerned. She said she did not think it was a matter of discrimination by the City and referenced a copy of certificate of appropriateness which was issued on March 5, 2002 for the majority of the work that has yet to be done on this property and she said the last line reads as follows "Note: It is the owner's responsibility to apply at the city/county inspections department for any building permits which may be needed." Ms. Eberhart said Mr. Hunter was aware that building permits might and probably would be required. She said she felt there is a problem with Mr. Hunter's execution of the certificate of appropriateness and any building permits that may or may not have been secured at that point in time. Ms. Eberhart said they would really like to see this resolved and referenced the many more owner-occupied residences in the area, and said Mr. Hunter's property is kind of a drain on property values and does not make the neighborhood look good.

Subject: Rebuild Durham, Inc. Loan Modification

To authorize the City Manager to execute loan modifications and related documents for twelve RDI properties; and

To authorize the City Manager to accept the deed transferring fee simple ownership of 110 Chestnut Street to the City and execute a Certificate of Satisfaction, thereby cancelling the City's loan.

The staff report indicated that in June of 2012, City Council authorized the expenditure of \$366,322.85 in housing bond program income in the form of reimbursement to the U. S. Department of Housing and Urban Development for a result of non-compliance with the requirements of the Home Investment Partnership (HOME) program by Rebuild Durham, Inc. The department consulted with the City Attorney's Office and outside counsel to develop loan modifications and related documents necessary to substitute non-federal funds. The proposed loan modifications will defer the payment of the remaining City of Durham loan balances on twelve of the thirteen RDI properties until the future sale of each property. For the thirteenth property, loan cancellation documents have been prepared allowing for the transfer of the deed to the City of Durham. The thirteenth property is 110 Chestnut Street which is located within the Southside project area.

Council Member Brown noted it would be better to end the relationship with Rebuild Durham and foreclose on its properties. He said the major issues for him concerning Rebuild Durham are

compliance, competence and their business model. Also, he asked who is the contact loan officer at Sun Trust Bank in charge of Rebuild Durham's loan. He said the city would have been better off financing mainstream nonprofits like Habitat for Humanity. Council Member Brown said one board member for Rebuild Durham said it was time for them to fold their tents and referenced the lack of management skills and did not see the current organization making any progress. He said the board lacks members with the business and real estate skills required for it to provide the organization with oversight and direction. He also raised concern with the makeup of the board and said they have not had a board meeting for some time.

Because Rebuild Durham does not have a great track record, Council Member Catotti asked if the city should be pushing Rebuild Durham to sell and divest.

Community Development Director Reginald Johnson replied that the city may be better off dealing with Rebuild Durham, as Sun Trust is willing to restructure its own loans to the nonprofit and another group would likely require a new funding pledge from the city to step in.

Council Members Moffitt and Schewel said the proposal submitted by the Community Development Department is reasonable given the circumstances of the situation.

Council Member Catotti voiced concern with the escrow proposal, questioning whether it would allow the two houses to drag down the value of surrounding property for years to come.

This item is being referred back to the administration. Information will come back to the council about the makeup of the board and the possibility of getting Rebuild Durham to sell one of the houses and rehabbing the other.

Subject: Amendment One to the Joint Cooperation Agreement with the County of Durham for Durham City-County Home Consortium (DCCHC)

To authorize the City Manager to execute an Amendment One to the Joint Cooperation Agreement with the County of Durham for the Durham City-County Consortium.

The staff report indicated that in July 2011, the Council authorized the City Manager to execute a new Joint Cooperation Agreement with the County of Durham for the Durham City-County Consortium. The effective date of the agreement began July 1, 2012 and continues for a period of three years ending June 30, 2015. Following the expiration of the three years (the "qualification period"), this agreement shall automatically renew for successive three (3) year "qualification periods", unless terminated earlier in accordance with this agreement.

Community Development Director Reginald Johnson explained the difference between the proposed contract and the current contract.

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Subject: Proposed Advance Acquisition for Future Expansion of Lake Michie – Property of Ricky Dwayne Shepherd

To approve the fee simple acquisition of 6.053 acres of vacant land from Ricky Dwayne Shepherd identified as Parcel ID 213256 (+6.053 acres) for a purchase price of \$65,000.

City Council approved the Land and Buffer Acquisition Program for the future expansion of Lake Michie on February 15, 1988. In order to curb development of the area around Lake Michie, and to acquire land for future expansion at the most advantageous prices and in a manner that is least disruptive to citizens, the Real Estate staff of the General Services Department continues to acquire property on a voluntary basis. The Real Estate staff has negotiated an Option to Purchase a total of +/-6.053 acres vacant land located at 3803 Pat Tilley Road from Ricky Dwayne Shepherd for \$65,000. This option has been provided to the City by the property owner. The acquisition will be funded from the Future Water Supply Source account.

Council Member Moffitt said not questioning this item, he asked if there are guidelines when appraisals are required.

City Manager Bonfield said in almost every situation they do appraise property and referenced ranges and guidelines.

Subject: Construction Contract with Progressive Contracting Company, Inc. and Design Amendment with Walter P. Moore and Associates, Inc. for Chapel Hill Street Garage Concrete Repairs

On February 12, 2013, the City Manager approved a professional services design amendment with Walter P. Moore and Associates, Inc. engineering consultant for the design of concrete repairs and accessibility improvements to the Chapel Hill Street Garage. The project was advertised for formal bidding on May 23, 2013 and on June 25, 2013, three bids were opened. Progressive Contracting Company was the apparent low bidder. The General Services Department, Department of Equal Opportunity/Equity Assurance, and the Finance's Risk Management Division have reviewed the bids, conducted a de-scoping meeting, and concluded that Progressive is the lowest responsive and responsible bidder.

City Manager Bonfield requested earlier in the meeting that the council suspend the rules and take action on this item at the work session.

Motion by Council Member Schewel seconded by Council Member Brown to suspend the rules of the city council and take action on the above-mentioned subject was approved at 2:22 p.m. by the following vote: Ayes: Mayor Bell and Council Members Brown, Catotti, Moffitt and Schewel. Noes: None. Absent: Council Member Clement. Excused Absence: Mayor Pro Tempore Cole-McFadden.

Motion by Council Member Schewel seconded by Council Member Brown to authorize the City Manager to execute a construction contract for the Chapel Hill Street Garage Concrete Repairs with Progressive Contracting Company, Inc. in the amount of \$735,995.00 that includes the base bid and recommended alternates;

To establish a project contingency in the amount of \$110,400.00

To authorize the City Manager to negotiate and execute change orders on the Chapel Hill Street Garage construction contract, provided the total project cost does not exceed the amount budgeted for construction phase plus the project contingency;

To authorize the City Manager to execute a contract amendment to the agreement to provide Consulting Engineering Professional Services between the City of Durham and Walter P. Moore and Associates, Inc. in an amount up to \$60,000.00 so that the total contact will not exceed \$871,968.51; and

To establish a project contingency in the amount of \$6,000.00; and

To authorize the City Manager to negotiate and execute change orders on the Chapel Hill Street Garage professional services contract, provided the total project cost does not exceed the amount budgeted for construction phase services plus the project contingency was approved at 2:23 p.m. by the following vote: Ayes: Mayor Bell and Council Members Brown, Catotti, Moffitt and Schewel. Noes: None. Absent: Council Member Clement. Excused Absence: Mayor Pro Tempore Cole-McFadden.

Due to the upcoming repairs in the Chapel Hill Street Garage, Director of Transportation Mark Ahrendsen briefed the council on the four alternate locations where people will be parking.

Subject: Southside Project Update

To receive a status report on the Southside Project.

The staff report provided updates as of July 19, 2013 on the following:

- Southside East Site Preparation, Environmental Remediation and Public Infrastructure
- Phase 1 Multi-Family Rental Construction
- Southwest West Homeownership
- Site Pictures – Building 1 Construction Roxboro Street
- Site Pictures – Buildings 11 and 12 Construction at Lakewood and Memphis Street
- Site Pictures – Buildings 7 and 8 Construction

Community Development Director Reginald Johnson also provided a power point presentation as follows:

Southside Project Update

Rental Site Prep and Infrastructure

- Approximately 95% complete
- Remaining tasks include paving of Chestnut Street, fine grading the balance of the Rolling Hills site, construction of sedimentation control basin and preparation and submittal of as-build drawings. A mid-August submittal is anticipated.

Multi-Family Rental Construction

- Unprecedented rainy weather has added pressure to the construction schedule with the most significant impact being delay in completing the foundation for Building 2.
- Given delays with Building 2 and its additional construction complexity, the Building mix is being revised in order to meet the December 31, 2013 deadline.
- Previous accelerated schedule: Buildings 1, 2, 6, 7, 8, 11 and 12.
- Revised accelerated scheduled: Buildings 1, 3, 4, 6, 7, 8, 9, 10, 11 and 12.

Community Development Director Reginald Johnson noted the live-work units were located in Buildings 1; 2; 3; 4 and 5. He said there were a total of 13 live-work units.

Homeownership Site Prep and Infrastructure

- Notice to proceed issued to D. H. Griffin on July 15th with a 120-day completion timeframe.
- Model home site to be delivered by mid to late August.
- All acquisition and relocation associated with homeownership development completed.

Homeownership Pre-Sales

- More than 90 individuals have completed a pre-sales registration form based on their interest in purchasing a home in Southside. Those who have indicated an interest in assistance from the City, Duke or NCHFA have been advised to begin the application process.
- A “meet the builders” forum is planned for early August to provide prospective homebuyers with the opportunity to review house plans and pricing.
- The Bungalows at Southside – tentatively selected as the marketing name.
- Both homebuilders, B. Wallace Design and Construction and Andrew Roby General Contractor, anticipate entering into pre-sales contracts in order to have multiple starts when all lots become available in late November.

Home Construction

- Final plat being readied for submission and subsequent recordation to provide for conveyance of lots to homebuilders.

- Based on November lot delivery to builders, initial home closings and occupancy by new owners anticipated in late March or early April 2014.

Financial Update

- No changes to anticipated project budget.

National Night-Out

- Southside is the official kick-off location for National Night-Out on August 6th. The event will be held from 4:30 p.m. to 6:30 p.m. at 900 South Street. A tent will be provided. Both of the selected homebuilders will participate in the event.

Subject: City Hall Envelope Project

To receive a presentation detailing the scope of the City Hall Envelope project, findings during the design process, recommendations and finalized design.

The staff report indicated that during September 2012, the General Services Department contracted with RND Architects for design of the City Hall Project which includes renovations to the exterior of City Hall and the City Hall Annex Plaza as well as replacement of the City Hall chillers. RND Architects completed and presented several designs to the administration. The design is now finalized and cost estimates are within the construction budget – approximately \$4.65 million.

General Services Director Joel Reitzer provided a power point presentation referencing the following topics:

- Project Basics – Major Scopes of Work (City Hall – Cementitious Panels Replacement and Brick Repair; City Hall Chillers Replacement & City Hall Annex Plaza Slab and Waterproofing Replacement)
- Design Team
- Existing City Hall Panel Conditions
- Chillers – Existing Conditions
- Annex Plaza – Existing Conditions
- Renovations – Annex Plaza
- Renovations – Chillers
- Renovations – Exterior Panels City Hall
- Renovations – Mangum Street Entrance
- Total Project Budget - \$6,346,500

At this time City Clerk Gray announced the results for the following board appointments: Audit Services Oversight Committee; Citizens Advisory Committee; Homeless Services Advisory

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Committee; Housing Appeals Board; Human Relations Commission; Workforce Development Board; Durham Open Space and Trails Commission; Durham Planning Commission; Durham Board of Adjustment; Durham Convention Center Authority; and the Recreation Advisory Commission.

Settling the Agenda – August 5, 2013 City Council Meeting

City Manager Bonfield referenced the following items for the August 5, 2013 City Council meeting agenda: Consent Items: 1 thru 16; 18 thru 21; 23 thru 28; GBA Item 39 and Public Hearings Items 31 thru 35.

Motion by Council Member Moffitt seconded by Council Member Catotti to settle the agenda for the August 5, 2013 City Council Meeting as stated by the City Manager.

The motion was approved by a vote of 5/0 at 3:31 p.m.

Subject: Closed Session

Motion by Council Member Catotti seconded by Council Member Schewel to hold a closed session regarding attorney-client consultation and Farenbacher vs. City of Durham and County of Durham, pursuant to G.S. 143.318.11(a)(3).

The motion was approved by a vote of 5/0 at 3:31 p.m.

Subject: Open Session

Motion by Council Member Moffitt seconded by Council Member Schewel to return to open session.

The motion was approved by a vote of 5/0 at 4:16 p.m.

No action was taken in open session.

There being no further business to come before the council, the meeting was adjourned at 4:16 p.m.

D. Ann Gray, MMC, NCCMC
City Clerk